

**RFP Implementation Team (RIT) Meeting**  
Grimes State Office Building,  
Department of Education,  
400 E. 14<sup>th</sup> St, Des Moines, IA.

**December 5, 2011**

To ensure the most efficient use of State resources, the December 5, 2011, RIT meeting will be held via a video conference pursuant to Iowa Code section 21.8. Members of the public and interested person are invited to attend the Commission's meeting via video conference. A video conference also ensures more attendees will be able to participate in the meeting and reduces the risk of delays caused by weather or other impediments to travel. The meeting was also accessible to members of the public through attendance at the Grimes State Office Building.

**RIT Members Present:**

Gretchen Bartelson, Iowa Community Colleges  
Mark Headlee – Judicial Branch  
Sergeant Tom Lampe – Iowa Department of Public Safety  
Dave Lingren, Iowa Telecommunications and Technology Commission (ITTC)  
Gwen Nagel – Iowa Department of Education  
Andy Nielsen – Office of the Auditor of State  
Art Spies – Iowa Hospital Association  
Representative John Wittneben – Iowa Democrat House

**RIT Members Absent:**

Representative Walt Rogers – Iowa Republican House  
Senator Matt McCoy – Senate  
Todd Schulz – Governor's Office/Iowa Department of Management  
Meghan Gavin – Office of the Attorney General  
Senator Mark Chelgren - Senate

**Fiberutilities Group Staff Present:**

Dave Lunemann, Fiberutilities Group  
Rob Smith, Fiberutilities Group

**Iowa Communications Network Staff Present:**

Joseph Cassis, Chief Communications Officer  
Will Walling, Network Operations and Engineering Director  
Mark Johnson, Administration Director  
David Marley, Network Operations and Engineering Manager  
Tami Fujinaka, Government Relations Officer  
Alexis Slade, Executive Secretary (Recorder)  
Vicki Wallis, Network Planning Engineer  
Lori Larsen, Public Relations Officer  
Jontell Harris, Executive Liaison

**Guests:**

Lon Anderson, Iowa House  
Judy Krewson, Rural Iowa Independence Telecommunication Agency (RIITA)  
Wayne Johnson, Century Link  
Anna Hyatt-Crozier, House Democrat Staff  
Marcia Tannian, Legislative Services Agency (LSA)  
Eric Johansen, Senate Republican Caucus  
Angi Hillers, Iowa Department of Education  
Bruce McKee, North Iowa Area Community College  
Sheila Navis, Rural Iowa Independence Telecommunication Agency (RIITA)

## **Recap**

### **Notes**

A hard copy of the November 28, 2011, RIT meeting notes were distributed to members in attendance, and the electronic copy will be posted to the ICN website after the completion of the December 5, 2011, meeting.

**Assumption #22: The buyer / lessee will receive all new and existing operational revenue generated by users from date of sale closure forward.**

**Question 1:** How does the ITTC anticipate dealing with the continuing expenses that are part of operating the ICN?

**Response:** Any acceptable lease of the ICN would cover any expenses related to the operation of the network, and that's why all the revenue, new and existing, would go to the entity that's leasing the ICN.

### **Statement of Preference:**

**Dave Lingren** – Agree

**Gwen Nagel** – Agree

**Sergeant Tom Lampe** – No opinion

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen Nielsen** – Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Assumption #23: A new buyer / lessee may turn off service due to nonpayment.**

**Summary:** ICN has a percentage of users who pay for their services with federal money received, and there are occasions when the federal funds are delayed. The ICN does not refuse anyone's services due to non-payment, but instead the ICN escalates the issue to the Governor's Office. This is not the typical way the public sector operates. If there is bad debt, the public sector would shut off services because the user is not paying their bill.

### **Statement of Preference:**

**Dave Lingren** – No opinion

**Gwen Nagel** – No opinion

**Sergeant Tom Lampe** – No opinion

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen** – No opinion

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – No opinion

**Assumption #24: A buyer will incur all operational expenses related to new (added) network components and maintenance from the date of sale closure forward.**

**Question 1:** Can you define network components?

**Response:** It's all the core, edge switching, and routing equipment that allows the ICN network to continue. During the RFP process, an extensive list will be created.

### **Statement of Preference:**

**Dave Lingren** – Agree

Gwen Nagel – Agree  
Sergeant Tom Lampe – Agree  
Mark Headlee – Agree  
Art Spies – Agree  
Andy Nielsen – Agree  
Representative John Wittneben – Agree  
Gretchen Bartelson – Agree

**Assumption #25: All buyers responding to the RFP must be prepared to reach acceptable terms for colocation, power, secure space, etc. with all colocation space owners currently housing ICN equipment, circuits or fiber (only some of which may be State agencies). It is assumed that if acceptable colocation terms cannot be reached with existing colocation space owners that alternate space (and subsequent related costs associated with moving into new space) will be at the buyer's expense.**

**Summary:** If a buyer cannot come to a colocation agreement with the owners of the space housing ICN equipment, they will have to provide an alternate space at their expense.

**Statement of Preference:**

Dave Lingren – Agree  
Gwen Nagel – Agree  
Sergeant Tom Lampe – Agree  
Mark Headlee – Agree  
Art Spies – Agree  
Andy Nielsen – Agree  
Representative John Wittneben – Agree  
Gretchen Bartelson – Agree

**Assumption #26: A buyer will be required to demonstrate the ability to secure adequate colocation agreements in such a manner as to provide seamless delivery of existing services prior to closing.**

**Summary:** If a colocation agreement can't be made between the buyer and the user, they must be able to demonstrate that they can build or provide their own facility to house that equipment.

**Statement of Preference:**

Dave Lingren – Agree  
Gwen Nagel – Agree  
Sergeant Tom Lampe – Agree  
Mark Headlee – Agree  
Art Spies – Agree  
Andy Nielsen – Agree  
Representative John Wittneben – Agree  
Gretchen Bartelson – Agree

**Assumption #27: For the purposes of RFP documentation all information will be listed with an "effective as of" date as close as is practical to RFP release.**

**Summary:** Information regarding revenues, the number of users, circuits, etc that's listed in the RFP, is a snapshot of the ICN at the time the information is pulled. The ICN will continue to conduct business, so the information may change slightly throughout the course of the RFP process.

**Statement of Preference:**

**Dave Lingren** – Agree

**Gwen Nagel** – Agree

**Sergeant Tom Lampe** – Agree

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen** – Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Assumption #28: The RFP process will be run in parallel to the normal course of business at the ICN. No changes to current day-to-day business or future business planning will occur as a function of the ongoing RFP for sale or lease of the network.**

**Summary:** During the RFP process, the ICN will continue to look for ways to save the State of Iowa money.

**Statement of Preference:**

**Dave Lingren** – Agree

**Gwen Nagel** – Agree

**Sergeant Tom Lampe** – Agree

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen** – Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Assumption #29: The ICN is currently engaged in the support of the FCC (Rural Health Care Pilot Program [RHCPP]) and is directly involved in an ARRA project (Broadband Technology and Opportunities Program [BTOP]). Any buyer / lessee of the ICN must comply with all requirements of these federal programs as stated in the RFP.**

**Summary:** Any buyer or lessee will have to be approved by the federal grant providers and abide by their rules and policies associated with that federal grant.

*Note: Assumption will be broadened to include additional elements that may not have been defined. Any additional information will be discussed at the next RIT meeting.*

**Statement of Preference:**

**Dave Lingren** – No opinion until language is broadened

**Gwen Nagel** – No opinion

**Sergeant Tom Lampe** – No opinion

**Mark Headlee** – No opinion

**Art Spies** – Disagree, subject to expanding the assumption language

**Andy Nielsen** - Disagree

**Representative John Wittneben** – Disagree, subject to expanding the assumption language

**Gretchen Bartelson** – Disagree

**Assumption #30: Guaranteed amount of bandwidth for public safety in all cases; especially during emergencies.**

**Summary:** Healthcare, Education and Public Safety all voiced concerns about the guaranteed amount of bandwidth, especially if a timeframe is set as to how long the buyer/lessee has to provide that amount of bandwidth.

*Note: Assumption will be broadened to include additional elements that may not have been defined. Any additional information will be discussed at the next RIT meeting.*

**Statement of Preference:**

**Dave Lingren** – No opinion, assumption must be expanded to include all customer classifications that have those arrangements

**Gwen Nagel** - Agree, but assumption must be expanded

**Sergeant Tom Lampe** – Agree

**Mark Headlee** – No opinion

**Art Spies** – Agree, subject to broadening the assumption

**Andy Nielsen** – No opinion, assumption must be expanded

**Representative John Wittneben** – No opinion, assumption must be expanded

**Gretchen Bartelson** – No opinion, assumption must be expanded

**Assumption #31: Criteria will be established by the state and listed in the RFP for purposes of reviewing bids to purchase or lease the ICN. The historical capital cost of building the ICN will be used as one of the criteria to evaluate bids to purchase the ICN network.**

**Summary:** The investments of the State should be included in the RFP, so that the buyer understands what it costs to build and develop the ICN.

**Statement of Preference:**

**Dave Lingren** - Agree

**Gwen Nagel** - Agree

**Sergeant Tom Lampe** – Agree

**Mark Headlee**- Agree

**Art Spies** - Agree

**Andy Nielsen** - Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Assumption #32: In the event of a sale, ICN services will no longer be restricted to authorized users as defined under Chapter 7 of the ITTC Administrative Rules. Following a sale, the ICN would become an open network.**

**Summary:** A buyer may open the network and not be restricted by Iowa Code, Chapter 8D with the exception of the rules as stated by the FCC and other federal government restrictions that must be followed. *Note: The administrative rules provide additional clarifications to the Code of Iowa.*

**Statement of Preference:**

**Dave Lingren** – Agree

**Gwen Nagel** – Disagree

**Sergeant Tom Lampe** – Disagree

**Mark Headlee** – No opinion

**Art Spies** – Agree but with restrictions to the Federal government programs

**Andy Nielsen** – No opinion

**Representative John Wittneben** – No opinion

**Gretchen Bartelson** – Agree but with restrictions to the Federal government programs

**Assumption #33: In the event the ICN is leased, current law requires that ICN services will remain restricted to authorized users as defined under Chapter 7 of the ITTC Administrative Rules.**

**Summary:** Chapter 7 of the ITTC Administrative Rules is a further clarification of what is stated in the Iowa Code, Chapter 8D that lists authorized users and restricts the use of the network.

**Statement of Preference:**

**Dave Lingren** - Agree

**Gwen Nagel** - Agree

**Sergeant Tom Lampe** – Agree

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen** – Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Assumption #34: A buyer of the ICN must have and maintain common carrier status as defined by the Telecommunications Act of 1996 and be qualified to provide services through E-Rate funding under the Universal Service Fund.**

**Summary:** A buyer must have and maintain common carrier status. The education and healthcare customer segments heavily rely on the USF E-Rate discounts to obtain telecommunication services.

**Statement of Preference:**

**Dave Lingren** – Agree

**Gwen Nagel** – Agree

**Sergeant Tom Lampe** – Agree

**Mark Headlee** – Agree

**Art Spies** – Agree

**Andy Nielsen** – Agree

**Representative John Wittneben** – Agree

**Gretchen Bartelson** – Agree

**Questions:**

**Public Comments:**

**Comment 1:** The fiber deployed 20 years ago may have depreciated and may not have the capacity to carry traffic like it did 20 years ago. When we look at the initial capital cost we have to bear in mind that some of the value has diminished greatly like any investment. Also, the electronics on the network may have depreciated.

**Response:** Because of ICN's BTOP project, ICN's electronics on the network are brand new and also ICN has not experienced any problem with adding bandwidth to our fiber and have more than doubled the capacity to our optronics. ICN has the ability to, many times, increase and sees no problem with the fiber transporting the increase.

**Adjournment**

RIT members and members of the public were encouraged to review all the assumptions, and any new assumptions believed to be important can be discussed in the next meeting. The RFP Implementation team is

ahead of schedule in its progress. The meeting to be held on December 12 may conclude the business of this portion of the project, which would allow significant time to move forward with the next steps.

**Comment 1:** After we finish with this part of the RFP process what's next?

**Response 1:** Once all the input on the assumptions is collected, the ITTC will take the input and begin drafting the final foundations of the assumptions. Once the final foundational assumption process is completed, the ITTC will confer with IGOV, solidify the assumptions, and turn them over to the RFP team as the basis to begin writing the RFP.

**Comment 2:** Will assumption 30 be re-written?

**Response 2:** Yes. Assumption 29 and 30 will be broadened as discussed.